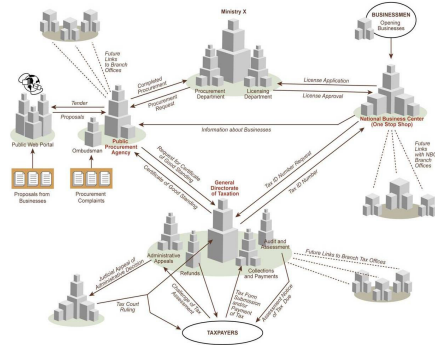




Millennium Challenge Albania

Threshold Agreement PROJECT FACT SHEET

Improving Accountability, Transparency, Public Access, and Efficiency



Interconnected e-government systems: e-registration, e-procurement and e-tax ensure more efficiency, greater transparency, increased accountability and better public access.

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PROJECT DURATION:

September 2006-September 2008

U.S. Agency for International Development
www.usaid.gov

OVERVIEW

The Government of Albania's two-year \$13.85 million threshold agreement with the Millennium Challenge Corporation (MCC, www.mcc.gov) aims to reduce corrupt practices, minimize the 'informal' economy, and improve the investment climate through a program of IT-based solutions, technical and legal assistance. The achievement of program goals for improved tax administration, public procurement, and business registration will help qualify Albania for MCC compact.

Tax Reform Component: Key initiatives include: new tax administration legislation for improved efficiency, more collections, and less tax inspector contacts; a Taxpayer Service Center for the Tirana region; a new and comprehensive tax website for more information and fewer visits to tax offices; and a convenient e-filing and e-payment option for saving time and money.

Public Procurement Component: Key initiatives include: building professional and IT capacity within the Public Procurement Agency to conduct transparent public procurements based on public access to a new web-based tender process and increased awareness of the new public procurement legal framework.

Business Registration Component: Key initiatives include: a new business registration law and the creation of a 'one stop shop' National Registration Center (NRC) that reduces entrepreneurs' time and costs required to register a new business.

RECENT HIGHLIGHTS

- The e-filing, e-procurement and e-registration systems, built based on EU and international standards and best practices, are now in use, and accessible at these enhanced online portals: www.tatime.gov.al, www.app.gov.al, and www.gkr.gov.al.
- The National Registration Center, opened on September 3, 2007 as the one-day, one-stop-shop for business registration, including simultaneous registration with tax, social and health insurance, and the Labor Inspectorate, with service windows currently in 12 locations in Albania, has by now processed over 60,000 applications, over 1/4 of which are new business registrations.
- The new tax procedure law approved by the Parliament and decreed by the President of the Republic streamlines and modernizes the tax administration by introducing best international and EU practices.
- From the beginning of 2008, the number of e-filings for the Value Added Tax, the personal income tax, the profit tax, as well as the social and health insurance contributions by large taxpayers, and, as of April, by Tirana taxpayers too, is over 3,000. Whereas the number for downloads of tax forms which is now available to the majority of the Albanian taxpayers is close to the 45,000 mark.
- The Electronic Procurement System (EPS) now registers e-tenders from 15 Contracting Authorities, which include 11 ministries, the Central Procurement Body, and the General Directorate of Roads, for individual values of up to \$17 million.
- Almost 1,200 participants have received training on the public procurement law and EPS, 400 in e-filing, and the effort continues.
- Several country-wide public education campaigns have taken place to inform the business community and the public at large about the new services made available by project-supported reforms, such as business registration, the Procurement Advocate, downloadable tax forms, e-filing, etc..